

March 21, 2006

TO: File

THRU: Susan White, Mining Coordinator

THRU: Paul Baker, Reclamation Specialist

FROM: Beth Ericksen, Surety Coordinator

SUBJECT: Deremo-Peterson, Umetco Minerals Corporation., M/037/025, San Juan County, Utah

This memo identifies the reasons for requesting approval of the new reclamation contract and corporate surety bond. The company submitted a request to the Division requesting release of the board contracts that were executed in 1985. A letter has been sent to the Operator that a Request for Agency Action must be filed in order to proceed. In the event, Umetco Minerals Corporation does go to the board and ask for release, then, it is necessary a reclamation contract and bond for the remaining reclamation work has been executed and approved by the Division. Since the request to execute the reclamation contract and approve the corporate surety bond is being made before the board contract release, a contingency addendum is attached identifying the board contracts and reclamation dollar amounts associated with the board contracts.